

**FISCAL NOTE**  
**HB 3148 - SB 3076**

March 15, 2002

**SUMMARY OF BILL:**

1. **Creates the Tennessee Water Resources Information Act**, which includes a system of registration for withdrawal of ground water and revises the current regulations governing well drillers, and:
  - Authorizes the Commissioner of Environment and Conservation among other things to:
    - a) establish a monitoring system to gauge stream flow and groundwater levels of state water resources;
    - b) establish fees for water withdrawals; or accept services from the registrant in lieu of the registration fee that are equal in value;
    - c) assess penalties
    - d) promulgate rules and regulations.
    - e) issue a written administrative order to a person who is withdrawing water without a valid registration or has supplied false or materially misleading information, or who violates any other rule promulgated by the Department and shall inform the violators of the opportunity for a hearing.
    - f) report the status of state water resources to the legislature every five years and to give an annual summary of each region's stream flows, groundwater levels and water usage.
    - g) appoint a technical advisory committee to advise the commissioner on state water resources and future planning efforts. The committee would have representatives from federal, state, and local agencies as well as appropriate private organizations. Members of the committee would not receive a salary nor be reimbursed travel expenses incurred while conducting official duties.
  - Provides any person who violates or fails to comply with any order shall be subject to a civil penalty of not less than \$50 or more than \$5,000 per day for each day of violations. Any person intentionally violating or failing, neglecting or refusing to comply with this bill would commit a Class C misdemeanor, with each day of violation constituting a separate offense.
  - Requires the Duck River Development Authority and the Mississippi, Arkansas and Tennessee Regional Aquifer Study to report their instructional findings to the General Assembly by January 1, 2003.
2. **Creates the Comprehensive Well Driller Licensing Act of 2002, which:**
  - Expands the licensure requirement to apply to any type of well and requires the driller to file a notice of intent to drill prior to drilling with the Department of Environment and Conservation.
  - Authorizes the Commissioner of Environment and Conservation to establish the standards for installation pumps and treatment devices for the proper drilling, construction, maintenance, and abandonment of all types of well drilling, including but not limited to the casing, perforating, plugging, cementing and capping of wells and for maintenance of wells by well owners.

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- Establishes a Class E felony to introduce any substance intended to cause harm into any well or intentionally assault, injure or harm a state employee performing their duties.
- Requires that fees and penalties received under the Water Resources Information Act be used exclusively to fund the operation, management and enforcement of this program.
- Allows local governments to enforce the law themselves as long as they have a program in place at least as stringent as the state program, and provided they receive approval from the commissioner.
- Allows a new question on the Tennessee Residential Property Condition Disclosure Form asking sellers of real estate about the existence of any inactive wells and/or improperly constructed wells on the property being sold.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$1,902,700 Recurring  
\$54,000 One-Time  
\$4,800/Incarceration\***

**Increase State Revenues - Exceeds \$1,900,000**

**Increase Local Govt. Expenditures -Not Significant**

Estimate assumes:

- an increase in expenditures in the Department of Environment and Conservation of \$387,700 recurring and \$54,000 one-time for 9 positions and related expenses to implement the provisions of the bill.
- an increase in state expenditures of \$1,515,000 recurring for contractual services for monitoring and maintaining databases of essential information.
- an increase in revenues from money received from fees. Assumes fees will be set at a level necessary to offset administrative expenditures.
- one person per year will be convicted of a Class E felony.

*\*Section 9-4-210, TCA, requires that: For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law. The amount appropriated for operating cost, in current dollars, shall be based upon the highest cost of the next 10 years, beginning with the year the additional sentence to be served impacts the correctional facilities population.*

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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